



USAID
DEL PUEBLO DE LOS ESTADOS
UNIDOS DE AMÉRICA



FOPRIDEH
Federación de Organizaciones
No Gubernamentales para
el Desarrollo de Honduras

Decentralization Enabling Environment (DEE)

SEMI-ANNUAL PERFORMANCE REPORT

AGREEMENT NO. AID 522-A-11-00001

January - June 2013

Acronyms

AMHON Honduran Municipal Association
AMVAS (Ocotepeque) Association of Municipalities from the Sesecapa Valley
FA Fiscal Autonomy Indicator
CEDE, Executive Commission for State Decentralization
CIEL, Investigation Center for Legislative Studies
CONCAM, National Policy Council for the Municipal Training and Technical Assistance
CSOs, Civil Society Organizations
DEE, Decentralization Enabling Environment
OSD Social Decentralization Observatory
DTPD Decentralization Territorial Policy for Development
FOPRIDEH, Federation of non-Governmental Organizations for Honduran Development
FTD, Tripartite Forum for Decentralization
GOH, Central Government of Honduras
LCAM: Municipal Administrative Career Law/ Municipal Service Law
LPS: Lempiras
MANOFM (Francisco Morazán) Mancomunidad of Municipalities of the Northwest of Francisco Morazán
MANSUCOPA, (La Paz, Comayagua) Mancomunidad of Municipalities of the Southwest valley of Comayagua and La Paz
MANVASEN (Ocotepeque) Mancomunidad of Municipalities of the Sensentí Valley
MUNASBAR (Santa Bárbara) Mancomunidad of municipalities from the South region of Santa Bárbara
MAMSA (Olancho) Mancomunidad of Municipalities Martyrs from the Sierra of Agalta
MANCURISJ: Mancomunidad from the Cuenca del Rio San Juan
MAMLESIP: Mancomunidad of Municipalities Lencas from la Sierra de La Paz
PEDM, Municipal Development Strategic Plans
PMP, Performance Monitoring Plan
PRODEL, National Program of Decentralization and Municipal Development
SAFT System for Tributary and Financial Administration
SEFIN, Secretary of Finance
SEIP, Secretary of the Interior and Population
SEPLAN, Secretary of Planning and Cooperation
SETCAM: Technical Secretariat of Municipal Administrative Career
TSC Court of Audits
UTI, Inter municipal Technical Unit
UAC Management Unit
URSAC Registration and Tracking Unit on Civil Partnerships
UAT Taxation Administration Unit
UFIM, Mancomunada Finance Unit
USG, United States Government

**Acronyms in Spanish*

TABLE OF CONTENTS

Semi Annual Performance Report January-June 2013

I.	Introduction & Overview	4
	Outline of results and objectives	4
II.	Executive Summary	6
III.	Evaluation of performance indicators as goals in PMP	8
	3.1 Summary Performance Data Table Indicator Baseline, Target and Actual Value	8
	3.2 Analysis of Performance Evaluation for Results.....	10
IV.	Progress in the Implementation of Project Results.....	15
	4.1 Result 1: Comprehensive legal framework for increased municipal autonomy strengthened.....	15
	4.2 Result 2: Legal framework for municipal fiscal autonomy strengthened.....	18
	4.3 Result 3: Cross-cutting actions of civil society participation in the decentralization processes increased.....	23
	4.4 F INDICATOR	26
	4.5 Communication	28
	4.6 Website.....	31
V.	Impact	32
VI.	Gender	32
VII.	Training.....	34
VII.	Constraints	32
IX.	Recommendations for improvement during next period	32
X.	Projections for next period	32
XI.	Budget Implementation	32

I. Introduction & Overview

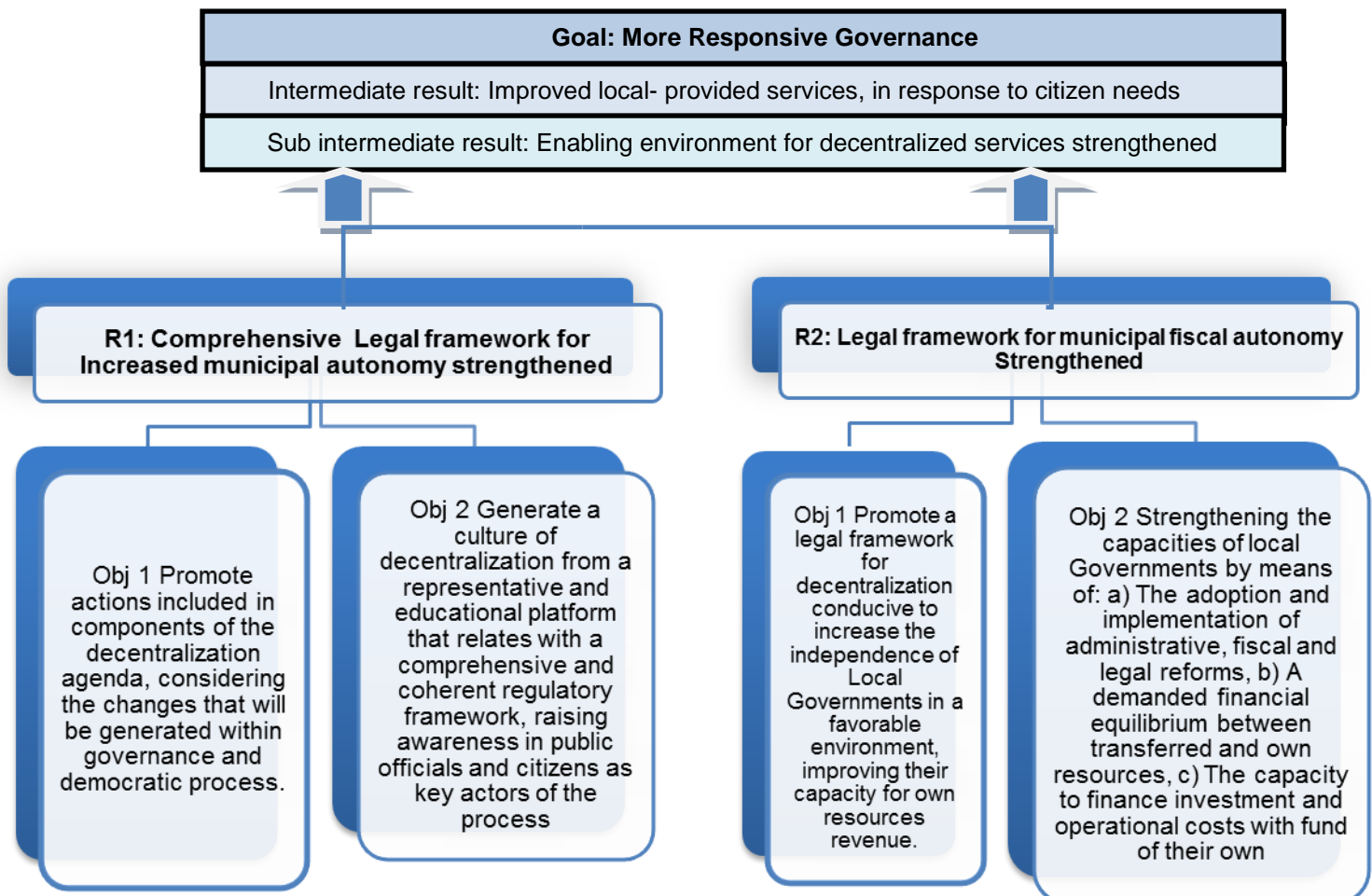
The Honduran Federation of Non-Governmental Organizations for Development (FOPRIDEH) submits the Semi-Annual Performance Report for the Decentralization Enabling Environment (DEE) Project, henceforth referred to as the DEE/FOPRIDEH Project, for the period January through June 2013.

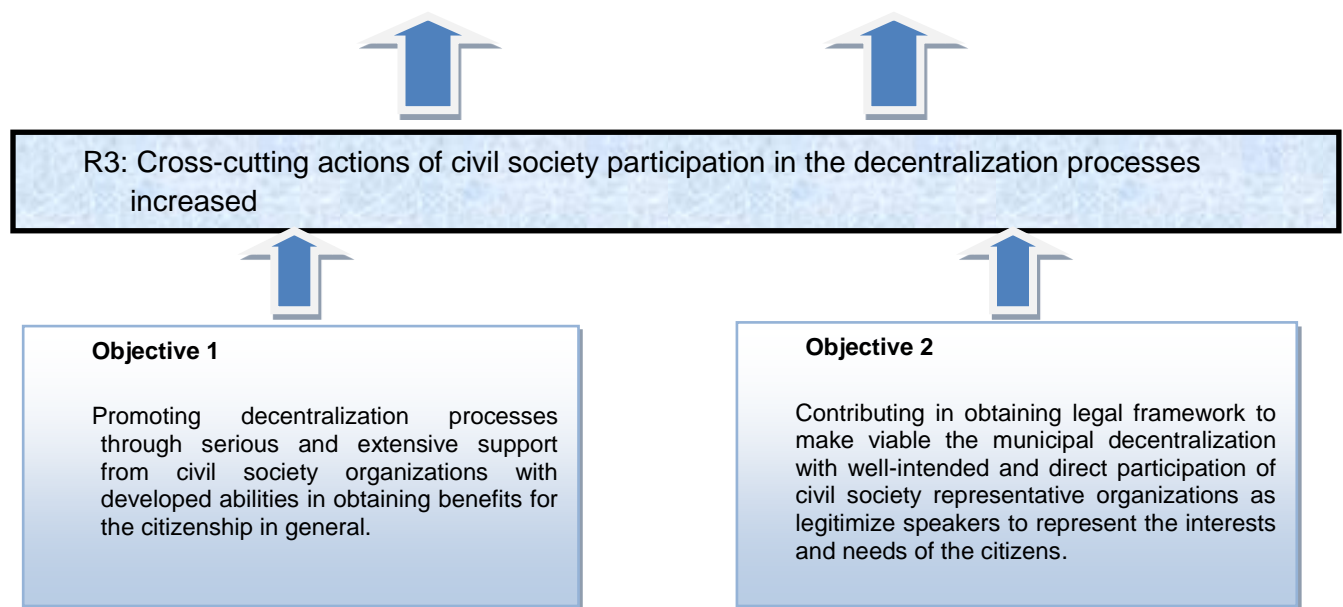
This report will encompass the major activities carried out during the reporting period and progress made in project results implementation under the framework of Agreement No. AID 522-A-11-00001 signed between FOPRIDEH and the United States Agency for International Development (USAID).

The general objective of this program, is to promote, at the local level, an enabling environment necessary for government services decentralization to better respond to citizen needs, encourage decentralization broad-based support by strengthening national institutions, local governments, and civil society organizations' abilities to advocate, enact and implement legal decentralization framework and its implementation, including fiscal, legal and administrative reforms thus encouraging local development, municipal autonomy, consensus building, broad participation, and an open policy dialogue between central and local authorities and other stakeholders.

Outline of results and objectives

Result and Objectives of Decentralization Enabling Environment





II. Executive Summary

Municipal Autonomy

Municipal autonomy activities implemented during this semester were: 1. A National Forums for Decentralization. 2. Held discussions with project partners' to collect feedback and incorporate observations on drafted laws into the Commitment Act found at (<http://www.observatoriodescentralizacion.org/marco-regulatorio/foro-nacional-de-descentralizacion/>) 3. Members of the National Forum agreed to proceed in drafting two laws and presenting them to the National Congress. 4. In May 2013, the Municipal Law and the Decentralization Law were passed to National Congress by Juan Orlando Hernández and Mauricio Oliva, both laws are currently being discussed. 5. Advocate for decree 135-2012 the Municipal Service Law, which was entered again in a state of *vacatio legis* for political reasons in August 2012 in said period the law is to be socialized. 6. Provide advocacy to reform the Environmental Law for environmental licensing decentralization.

The DEE project has reviewed and updated the Transition and Handover of Municipal Government Handbook for local government, which was approved by the Association of Municipalities (AMHON) Board of Directors and conveyed to the Secretary of the Interior and Population (SEIP).

The Social Observatory for Decentralization (OSD) platform was launched. The address is <http://www.observatoriodescentralizacion.org/>, and contains visual plug-ins, a video database, updated documents and news; DEE/FOPRIDEH project and allies established combined strategies to collect, analyze and disseminate information. Through OSD support the project was able to oversee municipal transfers in 2012 and 2013, to verify compliance with the Municipalities law by the Central Government.

Fiscal Autonomy

The following were activities undertaken to achieve Indicator 2.1. 1. Technical assistance was delivered by the DEE/FOPRIDEH project employees and Financial Unit Mancomunadas (UFIM) staff. 2. Assistance in setting and implementing the Tributary and Financial Administration System (SAFT), which is now being used by Inter-municipal Technical Units (UTI) and the water committee from San Nicolás, Santa Bárbara. 3. The regional DEE employees provided maintenance to municipalities with other financial systems (other than SAFT), as well as, technical assistance.

The conclusion from the assistance provided is that the average Financial Autonomy (FAI) is 29.50% surpassing the 14.63% target. However, according to the Performance Monitoring Plan (PMP), only the Mancomunidad of Municipalities Martyrs from the Sierra of Agalta (MAMSA), MANVASÉN and AMVAS surpassed the indicator in relation to the first semester of 2012.

In regards to indicator 2.2 DEE/FOPRIDEH project discussed the draft Municipal Financial Administration Law. As a result for Indicator 2.3, oriented in the aspect of the implementation of the laws that favor the fiscal autonomy, the technical assistance aided in the tax recovery by judicial enforcement resulting in the benefiting of the municipalities integrated in MANSUCOPA where the quantity of L 2,120,776.66 in accounts receivable was due, in considerable delayed payments from which the amount of L 700,803.89, was successfully recovered, a limiting factor that is stressed during this period is related to the delay of the Mayor's lack of compliance to the mancomunidades in order to cover the economic costs of the legal empowerment in the established dates. Furthermore technical assistance by project DEE in order to strengthen the local capacities was provided in subjects of internal control, preventive audit, municipal tax regime and the law of purchase and contracts of the state with emphasis in the implementation of the tax enforcement in all the municipalities of the area of intervention of the project as a routine of activity of the technical assistance delivered.

Civil Society working together for municipal and financial autonomy

The following data will describe the progress achieved by Civil Society in municipal and fiscal autonomy in order to increase decentralization.

1: Number of representatives from civil society organizations who contribute to project activities: During the reporting period DEE/FOPRIDEH project included 332 participants representing civil society organizations, from which 148 were men and 119 were women. The total amount of participants belongs to 19 FOPRIDEH's affiliates, Transparency Citizen's Commissions (CCT), NGOs non-affiliated to FOPRIDEH and universities. The participants were involved in different agendas, such as: Advocacy for the Municipal Law, creation of their Annual Operating Plan, Public Policies, Advocacy for decentralization laws submitted to congress (Decentralization Law and Municipal Law), Advocacy to Reform the Environmental Law, Advocacy to support implementation of the Municipal Law, Internal Control in Municipalities, amongst others.

2: Percentage of civil society perception on decentralization and municipal autonomy: In order to increase citizens awareness of the municipal autonomy and decentralization process, the DEE/FOPRIDEH project put into effect a media strategy to create perception or enhance an favorable perception on the subject matter by outlining the work performed with project partners and its impact in mancomunidades, municipalities, FOPRIDEH affiliates and others. Example of actions taken: Editing and distribution of 3,000 brochures, 100 project's agendas, 100 project's T-Shirts, name tags for all Project Staff and 16 banners (2 for each mancomunidad), dissemination of 500 newsletters entitled "Promoting Decentralization", also broadcasting the digital newsletter via emails and uploading news and events to FOPRIDEH's homepage, Facebook page and the Observatory for Decentralization website.

3: Number of individuals who received USG assisted training, including management skills and fiscal management, for strengthening local government and/or decentralization: The in-country training for the reporting period was addressed to 593 recipients, from which 261 were women and 332 men. More detailed information will be provided in the In-Country Training Table in the document.

III. Evaluation of performance indicators as goals in PMP

3.1 Summary Performance Data Table Indicator Baseline, Target and Actual Values

AO, IR or Sub-IR	Indicator	Unit of Measurement	Disaggregation	2013 Target	2013 Actual	Average
Result 1: Comprehensive legal framework for increased municipal autonomy strengthened						
IR 1.1	Indicator 1.1: Total resources managed by local government as percentage of total public resources	Percentage Points or Percentage Change	Municipalities	10%	TBD	TBD
IR 1.2	Indicator 1.2 Percentage of laws and reforms passed by the GOH and drafted with USG assistance to promote decentralization compared to established initiatives.	Percentage		$4/10 \times 100 = 40\%$	4/10	TBD
IR 1.3	Index of Implementation of the Municipal Administrative Career Law by Local Government to promote municipal autonomy	Scale	Municipalities	$(1/4 \times 100) = 25\%$	TBD	TBD
Result 2: Legal framework for municipal fiscal autonomy strengthened						
IR 2.1	Index of fiscal municipal autonomy of municipalities (own source revenue/total income)	Percentage of fiscal autonomy	Municipalities quarterly	5% of index Increase	14.27%	Low
IR 2.2	Percentage of laws and reforms passed by the GOH and drafted with USG assistance to promote fiscal autonomy compared to established initiatives	Percentage of laws or policies approved		$(2/10 \times 100) = 20\%$	TBD	TBD
IR 2.3	Score of implementation of legislation to promote fiscal autonomy, implemented by the municipalities	Percentage points (pp.)	Municipalities quarterly	10 pp. increase	TBD	TBD
Result 3: Cross-cutting actions of civil society participation in the decentralization processes increased						

IR 3.1	Indicator 3.1 Number of representatives from civil society organizations who contribute to project activities.	Percentage	Percentage points or exchange rate	500	332	TBD
IR 3.2	Percentage of civil society perception on decentralization and municipal autonomy	Percentage points or exchange rate	Perception Opinions	20% increase from previous year	0	TBD
F INDICATOR						
F1	F Indicator 1: Number of laws or amendments promoting decentralization drafted with USG assistance	Number	None	4	4/10	Met Expectation
F2	Indicator F2: Number of individuals who received USG assisted training, including management skills and fiscal management, to strengthen local government and/or decentralization	Number of participants	Number of participants by gender	250	593	Beyond Expectation

3.2 Analysis of Performance Evaluation for Results

Indicator 1.1: Total resources managed by local government as percentage of total public resources.

Due to the tax execution procedure of 2013 ending in December of the same year, this indicator can't be measured during this semester. Efforts have been made to promote the importance of the functioning of the Social Decentralization Observatory (OSD), which as an open source registers periodically and informs about the progress of the process of Decentralization in Honduras. The OSD handles and shares reliable information about the Central Government, the International Cooperation, the "mancomunidades", Municipalities, Civil Society Organizations.

The percentage of public resources managed by the 51 municipalities targeted in the project DEE' during 2012 is estimated of 0.52% this percentage corresponds to a discrepancy in time and miscalculation due to the late payments done by the government and in consequence the resolution of the projected expenses, which according to the Article 91 in the current Municipalities Law, the percentage of the transfer should be of 9% by 2012.

The projected total of the Tax Income by the Secretary of Finance and approved by the National Congress by 2012 was L.55,046,000,000.00, which according to the Secretary of Finance the budgeted expenses regarding the municipal transfers by the amount of L.3,260,032,500.00, corresponding to the 5.92%. This in the case of the 9% established by the law should represent the amount of L.4, 954,140,000.00.

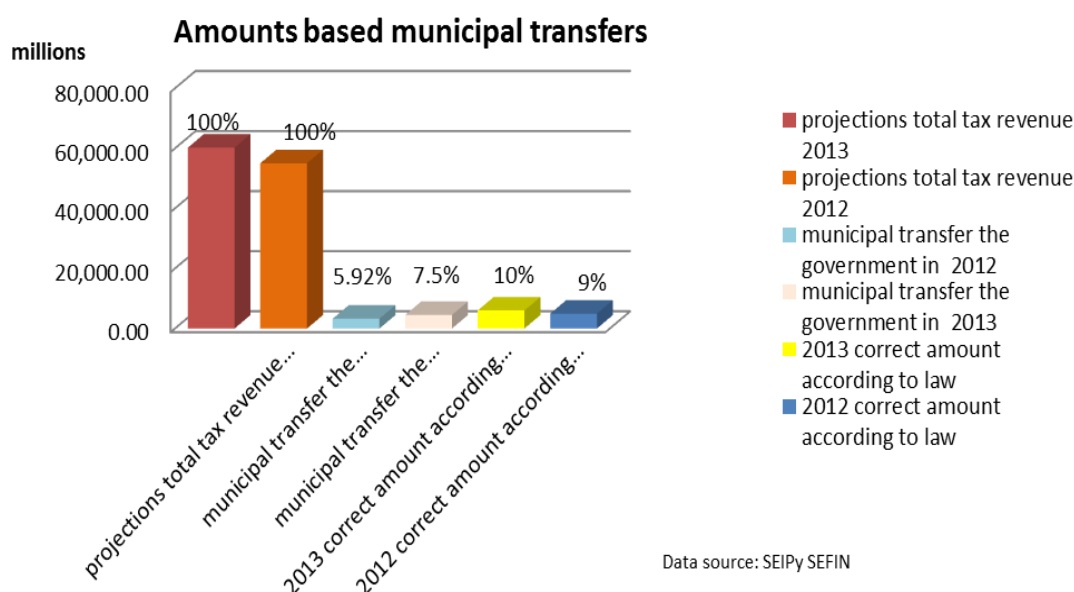
In 2013, the National Congress approved the projected budget submitted by the Ministry of Finance for the amount of L.4,518,000,000.00, for payments related to municipal transfers for 2013, representing 7.5%; as per Article 91 of the Municipalities Law during this year municipal transfers shall receive a 10%, equivalent to L.6,022,430,000.00. Also, this year L.60, 224,300,000 were projected and approved on account of Total Tax Revenue, reflecting a 13.5% growth compared to 2012.

Through the Social Observatory for Decentralization (OSD) gathering information concerning the follow ups on government transfers. The website www.observatoriodescentralizacion.org provides citizens with the access to information related to decentralization. With the support of the OSD, it was possible to gather information from different sources narrowed down to the total of public resources managed by the 53 municipalities from the DEE/FOPRIDEH project's impact during 2012, 0.52%; this percentage reflects time out and miscalculation. Article 91 from the Municipalities Law establishes that 9% of the national budget should have been transferred to local government during 2012.

The central government paid a total amount of L.308, 581,918.20 to the 51 municipalities of the DEE/FOPRIDEH project; however, documents from the Secretary of the Interior and Population (SEIP) reflected that the authorized amount was L. 484,961,968.00.

By the end of the year, the National Tax Revenue Transfers to Municipalities report for the year 2013 will indicate compliance of Article 91 of the Municipalities law, even though the OSD will keep permanent contact with SEIP, Mancomunidades, municipalities, Ministry of

Finance in monitoring the municipal transfers. Latest information indicates that the Central Government is currently paying off debts for the first quarter 2013 and some municipal transfers from 2012. The following graph shows detailed information on municipal transfers.



Indicator 1.2: Percentage of laws and reforms passed by the GOH and drafted with USG assistance to promote decentralization compared to incorporated initiatives

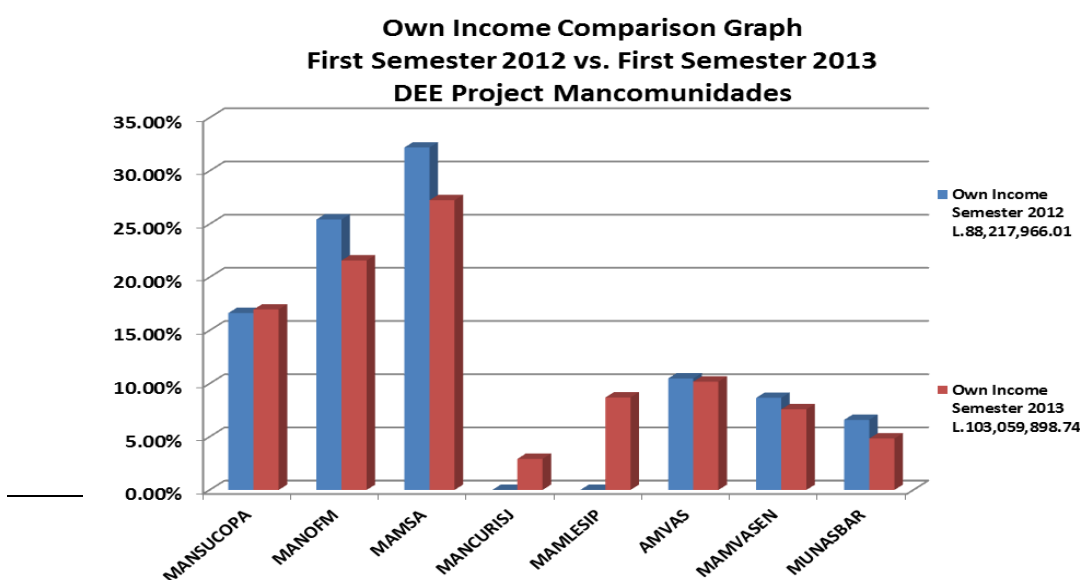
In order to increase the percentage of laws approved by the Honduran Government, political will from National Congress representatives is extremely important. Once it is established this indicator will be measured with the whole year data in the next report. However, in order to have expected outputs DEE/FOPRIDEH Project has developed important advocacy playing a key role with the Municipal Law and the Decentralization Law. Both laws were submitted to Congress on May 21, 2013, by congressmen, Mauricio Oliva and Juan Orlando Hernández, and passed to their pertinent commissions responsible for giving their opinion before voting and approving the laws.

Moreover, the existing Municipal Administrative Career Law was suspended by the National Congress and was sent into a recess period as requested by some trades unions that work in several of the municipalities. There exists willingness by the Municipal Corporations to implement it, being this is the main reason why the preliminary Municipal Administrative Career Law was drafted to allow the Municipalities to apply the law if they determine it by choice.

Indicator 2.1: Index of fiscal municipal autonomy of municipalities (own source revenue/total income)

During the measuring of this indicator, inconsistencies may be presented in relation to variances submitted in the total income (denominator), assuming that parallel to this increment of total income was not a significant increase of the total income, supposes consequently a decrease in the indicator, that without the additional analysis could belittle the intended municipal management in the matter of recollecting of taxes, On the other hand, if the central government financial transfers to the local government are delayed or not issued properly, the total income is decreased, and the own revenue increases reflecting a positive increase in the indicator resulting in enhancing the fiscal autonomy level.

Therefore, it is important to analyze the specific behavior of own revenue as shown in Graph No 3. The graph reflects own revenue increased in 17% during this semester compared to the first semester 2012. This is partly due to amnesties effects and updating of the municipal tax base which was an activity carried out with project's assistance and will have a positive impact on revenue in the month of August. Finally, it is important to mention that the data reported herein for indicator 2.1 corresponds to information collected up to May 30, 2013, since most municipalities are lacking information for the month of June and were not ready before the deadline of this report. Nevertheless, this does not affect the comparison with the first half of 2012, as data for that period also corresponded to the end of May.

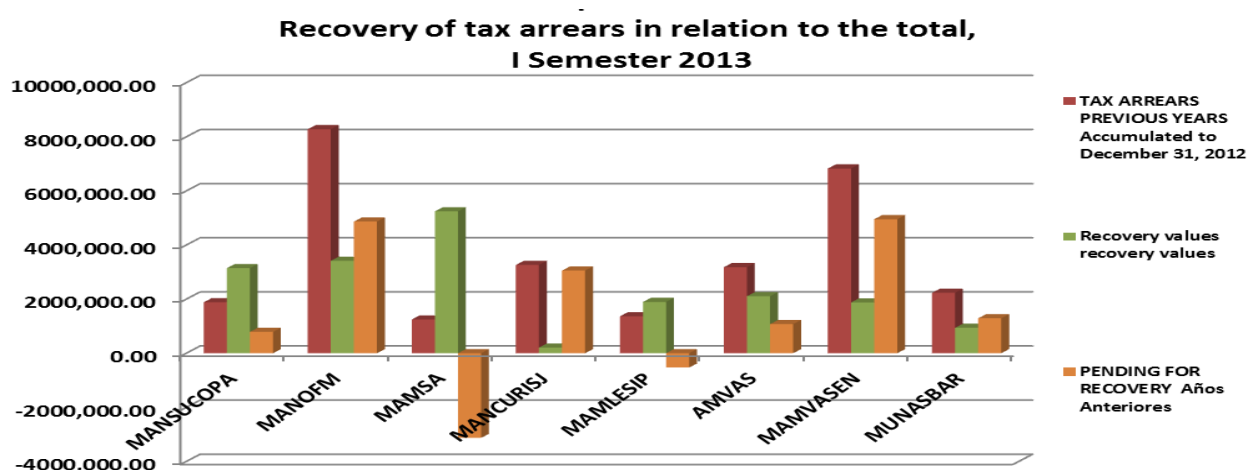


Indicator 2.2: Percentage of laws and reforms passed by the GOH and drafted with USG assistance to promote fiscal autonomy compared to approved initiatives

The percentage of laws and reforms to promote fiscal autonomy is reported as TBD (To be Determined), since the selection process to contract professional services for an assessment directed to review the Financial Law, is currently underway; therefore, findings will be shown in the next semester.

Indicator 2.3: Score of implementation of legislation to promote fiscal autonomy, implemented by the municipalities.

This indicator appears TBD due to unreliable information that needs to be collected to build this indicator after changes made in PMP. However, it is important to combine all the efforts done by the Project to update the records for overdue taxes accumulated from 2008 through December 31, 2012, and implementation of tax recovery during this reporting period. Unfortunately, despite the efforts made, the project was unable to recover data during the first half of 2012, therefore, at this point the target set in the PMP and its results during this semester in relation with the total debt cannot be measured. Although, the following graph reflects tax arrears recovery related to the total income.



Indicator 3.1: Number of representatives from civil society organizations who contribute to project activities

The measure for this indicator will be determined until the end of the year. The target goal is 500 active representatives from civil society to cooperate in project activities, during this semester the project reported 332 active representatives (148 were men and 119 were women) which is more than half participants, setting up a positive scenario for next period.

Indicator F.1: Number of laws or amendments promoting decentralization drafted with USG assistance

During the reporting period there were 4 laws or amendments promoting decentralization drafted. The project has worked on: 1. the Decentralization Law, 2. the Municipal Law, 3. Reforms to the Environmental Law. 4. Regulation for the LCAM. Further information is described in the indicator 1.2 from Result 1.

Indicator F.2 Number of individuals who received USG assisted training, including management skills and fiscal management, to strengthen local government and/or decentralization

During this reporting period 593 participants (from which 261 were women and 332 men) were trained under the project with an indicator, resulting in a "more than expected" exceeding the 200 trained participants' target. At this rate, the project will be exceeding target goals set by the PMP for trained participants due to greater efforts by project staff to train strategic partners to promote decentralization.

IV. Progress in the Implementation of Project Results

4.1 Result 1: Comprehensive legal framework for increased municipal autonomy strengthened

Indicator 1.1: Total resources managed by local government as percentage of total public resources



specialized newsletters. At present, the OSD has its own brochure and its own logo. The website has more than 300,000 visits in the period of May through June.

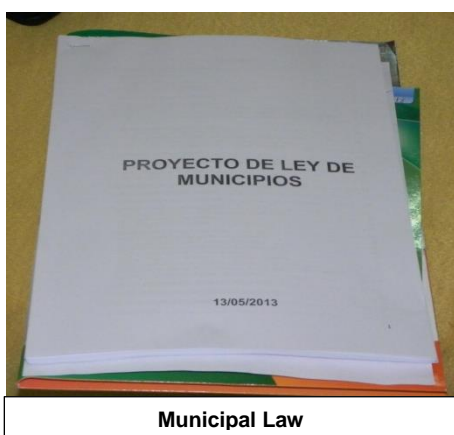
This indicator will not be measure until next semester, albeit, in keeping the OSD operating many activities were implemented during this period. Great efforts were taken to redesign the platform, including virtual plug-ins such as social pages links, Facebook and Twitter, plug-in to show videos, and listening to radio broadcast entitled “Promoting Decentralization”. The OSD is now being updated on a regular basis and collects, analyzes, and disseminates information on the decentralization process, such as, law projects, policies, executive and

legislative agendas, and



The OSD has been a great help in gathering information with project partners and since it is considered a reliable source there has being good relationships between SEIP, AMHON and the Finance Unit Mancomunada (UFIM). All three agencies have helped collect information related to the central government financial transfers issued to the local governments, thus, making it necessary to measure this indicator.

1.2 Percentage of laws and reforms passed by the GOH and drafted with USG assistance to promote decentralization compared to introduced initiatives



Municipal Law

- In compliance with the Municipalities Law and the Decentralization Policy provisions, DEE/FOPRIDEH project conducted an evaluation of MUNASBAR's communication networks to obtain a proposal to decentralize rural road works to the mancomunidad. Through this effort the following progress has been achieved:

1. Assessment and validation of municipalities and mancomunidad road network. The first meeting held between the president of MUNASBAR, Pablo Leiva, and the manager of the Road Sector Institute, Hugo Ardón, was scheduled during this reporting period.

2. Based on the approved proposal from MUNASBAR' Board the following activities were

agreed to be implemented during the next reporting period:

- a. A Technical Unit from MUNASBAR will be responsible to provide maintenance to the road building network and implement all matching activities to keep the project underway.
- b. Draft a training plan for the technical unit staff.
- c. Prepare an inventory of the road network to identify needs and coverage to be decentralized.

- On the other hand, after discussions with project partners, civil society and others, the technical committee prepared a final draft of the Decentralization Law and the Municipal Law, to be discussed in the second National Forum for Decentralization where members agreed to submit both Laws to National Congress on May 21, 2013; both laws were turned in to their pertinent congress commissions. The Municipal Law is in the Municipal Commission which is headed by the lawyer Daniel Flores and the Decentralization Law delivered to the Decentralization Commission headed by the lawyer Donaldo Reyes Avelar. Once both laws are correctly distributed both commissions will convey their decision and consensus prior to submitting the laws to congress for discussion and approval.



National Congress



Comissions for decentralization advocacy

- DEE/FOPRIDEH Project acknowledged the importance of starting a critical route to generate political lobby and advocate in National Congress, for this purpose, covenants were established between the advocacies commissions from FOPRIDEH and AMHON with the participation of technicians from the Technical Unit for Decentralization (UTD) from SEIP. The first meeting was to inform attendants what the lobbying was going to require; and, during the second meeting participants were divided in working groups creating an encouragement plan to facilitate the approval of the draft laws in congress. Some of the meetings

scheduled by these commissions during this reporting period included congress representatives from different Honduran departments who were invited by local mayors and FOPRIDEH's affiliates in order to discuss both laws.

- Since September 28, 2012, the LCAM was suspended by means of Decree No. 135-2012. After this incident the AMHON's General Assembly drafted a new decree superseding and replacing the foregoing decree allowing LCAM implementation in those municipalities wishing to do so. The proposal reads as follow:

"Article 1: "Article 1. - Suspended for a period of two (2) years, term established in Decree No. 74-2010 dated June 10, 2010, related to LCAM.

The following text will be incorporated in the reform agreed to by the general assembly:

“Without prejudice to the foregoing paragraph provisions, the LCAM must be implemented by at least 60%, equivalent to 180 municipalities to enforce Decree 135-2012, selection process to be carried out by SEIP and AMHON preferably in those municipalities where the LCAM is been promoted by international development programs.”

AMHON presented this reform to the National Congress through CIEL, headed by lawyer Marco Augusto Hernández, who is also in charge of reviewing and submitting for discussion such decree to the National Congress.

- Albeit the LCAM is suspended, DEE/FOPRIDEH Project continue working by developing advocacy workshops with Project partners especially from the Mancomunidad of Municipalities from the Sierra Lenca of La Paz (MAMLESIP) and other partners. Despite the laws suspension, in 2014 it will become effective again; therefore, DEE/FOPRIDEH, AMHON and SEIP/UTD drafted the LCAM's Regulation which was submitted to SEIP on March 3, 2013.

- The DEE/FOPRIDEH project also supports the General Environmental Law amendment which was also another initiative from the 2013 AMHON's General Assembly. The draft amendment has been submitted to AMHON's technicians, FOPRIDEH's affiliates, civil society, journalists, and municipalities with environmental services delegations (San Pedro Sula, Puerto Cortes and El Progreso), as well as, other projects working with environment issues nation-wide. The draft amendment to the General Environmental Law take into consideration reforming issues, such as: Decentralization in Environmental Licenses services categories I, II, and III, according to municipalities' technical, administrative and legal matters; Mancomunidades participation in the environmental licensing process; legal environmental regulations in municipalities, same as SERNA's; setting parameters for fees charges for the issuance of environmental licensing and carry out inspections; SERNA's authorization for reviewing environmental fines as referred to in the Law regulation.

Indicator 1.3: Index of implementation of the Municipal Administrative Career Law by local governments to promote municipal autonomy



Result 1 Coordinator Result 1 Onilda Castellanos in LCAM workshop

During the reporting period and being an electoral year, DEE/FOPRIDEH project, UTD/SEIP, AMHON, and COSUDE worked jointly in reviewing and updating the Transition and Transfer of Municipality Government Handbook for local government

established in Decree No. 143-2009, which was approved by the AMHON's Board of Directors and submitted to SEIP for its certification. This guidance facilitates the transition or responsibilities from the mayor in power to the newly elected mayor. Implementation of the Transition and Transfer of Municipal Government Handbook for local government will allow the DEE/FOPRIDEH project to cope with new authorities in the 51 municipalities during their administration.

- Mayors from MUNASBAR, AMVAS and MANVASEN were apprised of the LCAM. After many discussions and explanations the project was able to obtain 13 municipal

concurrences for LCAM implementation in the following municipalities: El Nispero, Arada, San Vicente, Centenario, San Nicolas, Atíma, Nuevo Celilac from MUNASBAR; Sinuapa, Concepción Santa Fe from AMVAS; San Marcos, San Francisco del Valle and Mercedes from MANVASÉN.

During the next semester, in some municipalities, an assessment will be conducted to draft the Job Classification Manual, a Posts and Salary Administration Guidance, and in other municipalities existing manuals will be updated to be consistent with LCAM and Generic Manuals from AMHON.

4.2 Result 2: Legal framework for municipal fiscal autonomy strengthened

Indicator 2.1: Index of fiscal municipal autonomy of municipalities (own source revenue/total income)

To promote progress in this indicator, seven activities were programmed. The activities were: 1. Workshops to evaluate the Operating Plan 2012 from the Tax Administration Unit (UAT). 2. Workshops to evaluate the Operating Plan 2012 for the Mapping Management Unit (UAC). 3. Drafting of the Operating Plan 2013 for UAT and UAC. 4. Workshops to reinforce use of the Finance and Tax Administration System (SAFT) for municipalities' recipients using this computer system. Conferences were programmed to exchange experiences from the UAT and the UAC to monitor and evaluate project advocacy to upgrade municipal's own accounts receivable. 4. Technical assistance in Mapping to benefit four MAMSA municipalities. 5. Technical assistance in municipal finance to benefit MAMLESIP and the Mancomunidad from the Cuenca del Rio San Juan (MANCURISJ); these mancomunidades are being supported by an UFIM technician. 6. Technical assistance in financial matters provided through periodic field trips to project municipalities carried out by the DEE/FOPRIDEH project territorial employees. 7. Exchange of experiences.

Outcomes of the planned activities for achievement of the indicator 2.1

Workshops:



2nd Workshop for SAFT users

- Developed six workshops with all 53 project partner municipalities to assess the Operating Plan 2012 for UAT, as well as, drafting the Operating Plan 2013 for UAT. Participants were able to exchange negative and positive experiences that affected performance of programmed activities for 2012. During this exercise a general problem was identified i.e., the lack of budget to cover field activities. To find a feasible solution to this problem, field activities will be incorporated in the Operating Plan 2013 and the technicians will submit the Plan to their municipal

corporations for approval. These workshops serve to strengthen participants' abilities to improve internal controls for taxpayer management, tax audits, implementing tax pressure

by means of administrative methods and facilitate the judicial pressure process for debt recovery. The project estimates a 75% advance in the development of Operating Plans in 2013.

- Developed two workshops to evaluate the Operating Plan 2012 for the UAC as well as draft the Operating Plan 2013 for the UAC. The municipalities' recipients of this workshop were from MANOFM, MAMSA and MANSUCOPA whereas the majority did not prepare an operating plan 2012 in their Management Unit for evaluation, facilitating the drafting process of the Operating Plan 2013. The estimated progress for this activity is 60%.



Workshop for UAC (MAMSA and MANOFM)

During the workshop participants also strengthened abilities in how to broaden mapping coverage in their municipalities thus improving operational capability of cadastral units.

- Developed two workshops with Municipalities' Inter-municipal Technical Unit (UTI) to implement SAFT. Municipalities using this financial system were trained to apply the latest version of the system modules. The workshop also strengthened their abilities to implement the legal framework for tax calculation, interest penalties and fines. Also, the new

catalogue of accounts receivables for tax collection was combined including the new telecommunications selective tax. During this workshop the project promoted transparency in municipal financial management and internal control implementation, in addition to updated records of municipal financial information, improve taxpayers' customer services and improve tax collection and expenditure control.



1st Workshop for SAFT users

- To achieve a prognosis of the municipal mapping situation and UAC's responsiveness to expansion and/or updating rural and urban coverage in the municipalities of Manto, Gualaco, Dulce Nombre de Culmí and Santa Maria del Real from MAMSA in the department of Olancho. An assessment was conducted to develop technical assistance resulting in achieving a study on Human Resource Management, logistics availability, administrative matters, current Computer Systems, Mapping Values Fees, and provision of financial



Technical Assistance: Municipal Assessment

statements to promote an advocacy framework in terms of technical assistance in order that the DEE/FOPRIDEH project can provide solutions to overcome any weaknesses found. Also, provide necessary recommendations to municipal authorities for upgrading mapping administration and collection of accounts receivable from real estate tax. In addition, it was possible to measure political interest in mapping implementation in line with Project's intention to include allocation for mapping activities in 2014.

- DEE/FOPRIDEH project influenced MAMLESIP and MANCURISJ Board of Directors to contract the technician in charge of the UFIM, who provided technical assistance to their municipalities in matters related to Financial and Taxation Administration (the foregoing was possible due to temporary project assistance in paying the UFIM's salary for a short period of time).

- Territorial Project Technicians worked to strengthen municipalities and UTI in different manners, such as, coordination, implementation, organization, and follow-up sustainability process. During the reporting period the territorial technicians made great forward advancements in promoting the tax pressure process, tax culture, tax database expansion, strengthening financial resources transparency management through on-going training for implementing good internal control practices, and local information systems implementation, such as, SAFT.

- The technical assistance oriented in the improvement of the transparency in administration of resources and good practices in the internal control implementation, through the territorial technicians information was gathered concerning each of the municipalities to be used through the program called "Internal Control Monitoring and Preventive Audit" the support of the financial subject that in an prioritized manner, this concerns will be addressed. It's important to underline the participation of the



Sharing Experiences Workshop (MUNASBAR)

territorial technicians through most of the result's indicator.

- During the reporting period a four-day workshop to exchange experiences from UAT and UAC was carried out. Here, the project measured the degree of compliance and the necessary adjustments to upgrade tax collection. The purpose of exchanging experiences was to benefit MUNASBAR municipalities where technicians from the UAT shared with MUNASBAR's Board of Director member's progress achievement in their own collection and activities related to tax constraints. During this event, mayors were well informed as to why they should support activities to reduce tax debts. For example, the mayor of San Nicolas, Pablo Antonio Leiva, expressed his intention to initiate tax pressure at the administrative level, an activity never implemented in his municipality.

Indicator 2.2: Percentage of laws and reforms passed by the GOH and drafted with USG assistance to promote fiscal autonomy compared to introduced initiatives

In order to achieve the goals set forth in indicator 2.2, the project has contracted a consultant to develop a propositive analysis of the Municipal Financial Management Law drafted articles. This assessment will facilitate advocacy during the reviewing process of the law with the technical committee, in order to have a counter proposal that at the time of the actual discussion have advancements with incidental characteristics.

Outcomes of the planned activities for achievement of the indicator 2.2

In July 2013 the selection process for hiring a consultant began. **Indicator 2.3 Score of implementation of legislation to promote fiscal autonomy, implemented by the municipalities**

In order to achieve the projected target for this indicator the following activities were scheduled: 1. Workshop in Municipal Taxation to benefit employees from MANCURSJ and MAMLESIP. 2. Workshop in Delivering Accountability Reports addressed to employees from the Budget Units and Internal Audit from at least three mancomunidades. 3. Technical assistance in the implementation of legal constraints for tax arrears recovery to benefit MANOFM, MAMSA and MUNASBAR, including one working day to present results to the Board of Directors from each mancomunidad.

Outcomes of the planned activities for achievement of the indicator 2.3

- The development of the Municipal Taxation workshop for strengthening technical skills for UAT's technicians. Topics covered were: calculating taxes and fees, imposing fines for surcharges, interests and forfeits instituted under the Municipalities law, as well as, discounts for early tax payments. Participants were also trained in taxation constraints, fiscal audits, and the process to expand and/or update taxpayers' database. Due to the workshop's positive impact, through administrative means, the implementation of the tax enforcement has been taken up by the municipalities. It's important to note that some officers of the UAT as well as some representatives of the Transparency Citizen's



Municipal Taxation Workshop

Commissions (CCT) and the municipal members participated, improving the follow-up and implemented lessons learned in the workshop.

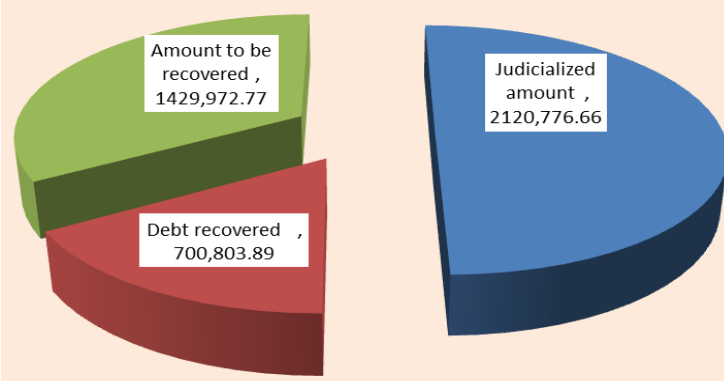
- The Accountability workshop for staff from the Budget Units and Internal Audit has been rescheduled for October 2013. By then DEE/FOPRIDEH Project expects to have an inter-institutional cooperative Agreement signed between FOPRIDEH and the TSC to have a valid and legally binding document for easy reference to be used by both institutions. Instead of the Accountability workshop another workshop was carried out on the State Procurement and Contracting Law to benefit MUNASBAR, AMVAS and MANVASEN.



State Procurement and Contracting Law

- Following the line of technical assistance, advancements were achieved through the goals of the 2.3 indicator with the compliance of three consultancy activities programmed for the judicial enforcement benefiting MANSUCOPA municipalities who presented 36 lawsuits before the Civil Court of Comayagua and La Paz. Suits addressing debt and tax debt plus interest and charges presented before the actual Amnesty Decree of Municipal Tax. As a result of the suits, there is an initial recovery of L. 700,803.89 of a debt from contributors with cases by the sum of L 2,120,776.66 with a pending recovery value in the following months of L 1,429,972.77; this consultation has encouraged the mancomunidad to institutionalize this process.

Graphics No 4 debt recovered by taxpayers (Money in Lps)



Technical Assistance for Legal Compulsion

Results from non-planned activities developed this semester

- Held a workshop on internal controls with technical support from the TSC where participants from MANCURISJ and MAMLESIP municipalities were trained in drafting

and implementing internal controls on banking settlements, accounts receivable, state procurement law, project profiles and monitoring of Audit (SISERA) recommendations.

- Participation in the “Environmental Management and Regulation” workshop given by USAID. USAID environmental procedures and ADS 216 regulations and adherence to them, were explained.



Internal Control Workshop



Environmental Management and Regulation Workshop

4.3 Result 3: Cross-cutting actions of civil society participation in the decentralization processes increased

Indicator 3.1 Number of representatives from civil society organizations who contribute to project activities

During this reporting period the total representatives of Civil Society who contributed in Project activities was 332, from which 148 were men and 119 were women. This total is distributed in each DEE/FOPRIDEH project results as follows:

- Result 3; 267 participants from which 75 were women and 123 were men, representing 32 civil society organizations who actively participate in public policies workshops. Annual operating plans, amongst others, in line with project activities. It is worth mentioning the great efforts to combine and discuss the Municipal Law with civil society.
- Result 2; 45 participants from which 21 were women and 24 were men. Participants in this result were mainly from the Transparency Citizens Commissions (CCT) working in project partner municipalities.

- Result 1; 20 participants from whom 6 were women and 14 men working in advocacy for the decentralization legal framework and Radio broadcasts promoting civil society actions.

Activities implemented include:

Outcomes of the planned activities for achievement of the indicator 3.1



Advocacy methods for public policies and negotiation techniques" May 30th and 31st 2013.

1- Developed a workshop on "Advocacy methods for public policies and negotiation techniques" in Santa Rosa de Copán. Participants were from FOPRIDEH's affiliates from the west commission, MANVASEN and AMVAS. A total of 11 affiliates Hermandad de Honduras, Odeco, Visión Mundial, Funda-Ahprocafe, Fundabanhcafe, Asociacion Pilar, Habitat para la Humanidad, Día, Icade, Pag, Casm and a non-member Ocdih. The participants were trained in the application of the methodological process to generate incidence in local and regional political spaces in order to propose technical and

financial proposals before the government's organisms and to the cooperation as well.

- Meetings for advocacy in the decentralization legal framework, carried out by FOPRIDEH and AMHON. Participants included mayors from AMHON's advocacy commission and the following affiliates: CEPROD, FUNDANED, COMPARTIR, INADES, FUNDACION VIDA, SETELEC, FUNDA-AHPROCAFE, VISION MUNDIAL, FUHRIL and AMITIGRA. These meetings were chaired by the R1 coordinator between May and June 2013. The purpose of these meetings was to outline political lobbying and advocacy strategy in: 1) The Municipal Law, 2) the Decentralization Law, 3) LCAM and 4) Amendments to the Environmental Law. Further information can be found in Result 1.

- Through the second trimester of the year, workshops have been geared towards the socialization and informing of the legal issues, up to the date, four events were developed: (3) 2-day events concerning the "Preliminary Law of Municipalities Socialization" and (2) 1-day events dealing with the "Preliminary Law of Decentralization and Municipalities Socialization"

a) Event with Olancho's Regional Commission affiliates and the CCT from Catacamas.

b) Event with coffee producers from AHPROCAFE.

c) Event with CCT from Gracias, Lempira.

d) Discussion of the Municipal and Decentralization Law with students and staff from the Christian University of Honduras (UCRISH) in San Pedro Sula.

e) Discussion of the Municipal Law with Comayagua affiliate Commissions.



“Discussion of the Municipal Law” La Fe Ilima-Santa Bárbara, May 23rd and 24th 2013



Coordinator R3, Daniel Moreno giving an interview about the event



Discussion of the Municipal Law in Catacamas Olancho May 16 and 17 2013.



Discussion of the Municipal Law



“Discussion of the Decentralization Law April 24th 2013



CCT in Gracias Lempira

These workshops had participants from 24 organizations, 11 FOPRIDEH's affiliates and 13 from civil society organizations, CCT, Universities, youth committees, municipalities, and other organizations=.

- In May 2013, civil society, represented by Wilfredo Martínez from ALFALIT Honduras and Enrique Castillo from the Rural Reconstruction Organization (PRR), participated in a meeting with AMHON and FOPRIDEH regarding “Strategies for Decentralization Policies”.

Indicator 3.2 Percentage of civil society perception on decentralization and municipal autonomy

This indicator's measurement does not apply for this reporting period. Nevertheless, it is important to highlight the efforts put into this reporting period to achieve a positive

perception of civil society in decentralization and local autonomy. Multiple efforts were put into broadcasting and citizens' awareness of the decentralization process.

Another effort to combine relevant initiatives and experiences generated in the project was the Organizational Culture Workshop with MUNASBAR to improve decentralization perception with municipal employees. In the workshop the LCAM was presented to the employees and they were also trained in communication skills.

During the semester the selection of the tool that will measure civil society's perception on decentralization and local autonomy was completed. Therefore, by the end of the year the indicator will reflect results on the aspects concerning civil society's perception on decentralization.

4.4 F INDICATOR

F Indicator 1: Number of laws or amendments promoting decentralization drafted with USG assistance

During the reporting period the four laws or amendments promoting decentralization were promoted. The project has worked in: 1. Decentralization Law, 2. Municipal Law, 3. Environmental Law Reforms. 4. LCAM Regulation. Further information is described in the indicator 1.2 from Result 1.

Indicator F2: Number of individuals who received USG assisted training, including management skills and fiscal management, to strengthen local government and/or decentralization

The project reports during this semester 593 people trained by the project, 261 women and 332 men. The following chapter reflects the in-country training data present in a table with training title, dates, and sex disaggregated data.

To comply with this indicator many events were carried out to train NGO, CSO, and municipal governments. Among these workshops those for civil society were: 1. Local and regional public policies that promote municipal and fiscal autonomy. 2. Workshops to develop the annual operating plan 2013 with FOPRIDEH's commissions. 3. Workshops to promote effective coordination between civil society and local government, 4. Identify abilities and experiences of FOPRIDEH's affiliates in Decentralization and Local Development. 5. Several events for NGO, CSO, local governments, and development agencies.

Outcomes of the planned activities for achievement of the indicator F.2



Local Public Policy Tegucigalpa M.D.C March 20th

- Two workshops on Local Public Policy (the first one in Tegucigalpa) for local NGOS: SETELEC, MOPAWI, COMPARTIR, CARE, PAG, Bridge of Peace (Non-affiliate), CENET (a governmental institution), and five representatives from MANOFM's Youth Communication Network.



Public Policy workshop in Comayagua

The second workshop in Comayagua to benefit affiliates from the Center Commission: Save the Children, ALFALIT, Vision Mundial, AHPROCAFE, PAG, PRR, and CENET, a Governmental office, civil society, Women's network, and other municipal officials.

- Develop workshops with all FOPRIDEH's affiliate commissions to draft their correspondent Annual Operating Plan 2013. A total of 41 affiliates were present at this event.

- Develop a workshop to share and inform civil society about the Municipal Law to benefit CSOs close to MANSUCOPA's municipalities.



"Operating Plan 2013 with FOPRIDEH DDHH commission"



Municipal Law workshop with MANSUCOPA and nearby CSO

4.5 Communication

a. Project DEE's Positioning

During the reporting period DEE/FOPRIDEH Project kept in close contact with the press, locally and nationally.

The following communication activities have assisted the project in disseminating information and increasing citizens' awareness of the decentralization process:

Broadcast radio show at local and national level

Outcome:

Promoting Decentralization

Radio	Day	Hour	Frequency	Radio Location	Recipient
Radio América	Wednesday	2:00pm - 2:30pm	94.7	Tegucigalpa	All Project partners
Radio Metrópoli	Friday	4:00 - 5:00pm	97.5	Comayagua	MANSUCOPA, MAMLESIP and MANCURISJ
Radio Excell	Thursday	3:00- 4:00pm	98.1	San Marcos de Ocotepeque	MANVASEN
Radio Comunidad	Friday	5:00 - 6:00pm	94.5	Nueva Ocotepeque	AMVAS



Radio Show in San Marcos Ocotepeque...
Guests from World Vision

Through radio broadcasts the DEE/FOPRIDEH Project increases citizens awareness of decentralization, municipal autonomy, tax collection, tax payments, citizen's participation, FOPRIDEH role, and FOPRIDEH affiliate communities. At a local level Mancomunidades promote their own activities, as well as, the project's activities. These broadcasts entitled "Promoting Decentralization" has attracted project strategic partners, as well as, key community leaders, resulting in citizens' awareness in the

process.

Juan Orlando Hernández was interviewed while he was still the President of the National Congress, and he expressed his sympathy and support for the process. Also interviewed were the United States Ambassador, Lisa Kubiske, the Head of the National University of

Honduras, Julieta Castellanos, and Congressman Marcio Vega. For further information regarding the nation-wide broadcast and its interviewed guest's recordings you can go to the link: <http://www.observatoriodescentralizacion.org/2012/09/programa-en-radio-america-2/> Also, to promote radio broadcasts to Project partners, each reporter promotes their show through emails, creating social campaigns and promoting partners requests, such as, AMHON's Sunday TV show.

-Youth Communication Networks trained in decentralization process.



Outcome: During this period two networks were instituted and trained in decentralization process and communication skills. The first Network was in Francisco Morazán to benefit MANOFM. A total of 36 young adults were trained with the support of UNICEF's Communication Specialist, Eduardo Cáliz and a volunteer from Australia named Emma Beltrán who shared her experience with the group. The Reporter for the national radio broadcast, Lourdes Flores, participated and interviewed several members of the two youth communication groups. From this group five members were trained in public policies in another workshop. The second network was instituted in Santa Bárbara with 28 young adults from MUNASBAR. This mancomunidad expressed their interest of having their own TV show. After several tests and discussions with the coordinator, this show is expected to begin during the next semester.



knowledge in local development in order for them to include municipal subjects in their press agendas.

The trained young adults were directly selected by the mancomunidad through UTI and included young personnel from UNICEF's communication network who supports FOPRIDEH's interaction with youth as part of an inter-institutional agreement signed between both institutions. These workshops strengthen youth

-Discussion with journalists “Decentralization: An Alternative for Country Development”.



Outcome: In order to get media attention the DEE/FOPRIDEH Project developed two events to discuss “Decentralization: An Alternative for Country Development”.

The first discussion was carried out with 80 journalist students from the National University of Honduras (UNAH) who were highly interested in the subject. The second event was held with 30 journalists from AMHON's communication network from the central zone of Honduras (Intibucá, La Paz and Comayagua) who interviewed the speakers, Ronald Fiallos from FOPRIDEH, Guadalupe López and María Teresa Antúnez from AMHON, Arnoldo Caraccioli and Ramón Izaguirre from UTD/SEIP and promised to broadcast the news and perform advocacy in their shows to promote the decentralization legal framework.

b. Alliance with Strategic Partners

The DEE project maintains an open and retroactive relationship with strategic partners and stakeholders in the field. Currently the following partnerships are underway:

- a. Agreement with UNICEF to support the Youth Communicators Network and interchange education material.
- b. Alliance with AMHON communications office to capture, exchange, and record videos regarding the project and commitment to promote AMHON's program broadcast on Sundays from TNH "Honduras Tierra Adentro" with the purpose of promoting the radio broadcast in their TV Show.
- c. Active communication with the President of the Honduran Press Association (APH), Carlos Ortiz, for communication support.
- d. An interactive relationship with the UTD websites technicians, to interchange information between both websites.

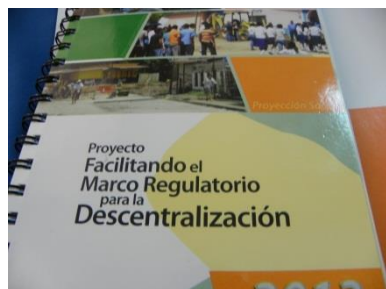


c. Production of the following promotional materials:

a) The art design of the banners per community for the project's presence which included the logo of the community and the project's theme. 16 banners in total were delivered 2 per community.

b) 500 printed Newsletters "Promoting Decentralization" for distribution to project partners and people of interest.

c) Brochure to benefit MANCURISJ, the OSD and the project.



d) Distribution of project monthly digital newsletter.

e) Printing and distribution of 100 working agendas.

f) Reprinting of 1,000 Decentralization policies.

g) Print 500 project folders to be distributed at events and work in a more updated design.



During the reporting period an assessment to develop FOPRIDEH's Impact Magazine started for the sake of strengthening Civil Society actions, as well as, the selection process assessment for the Project Perception Survey.

4.6 Website



Social Observatory for Decentralization working properly

Outcome: Disclosed information regarding initiatives submitted to the National Congress. The following information can be downloaded: report of central government transfers to local government, newsletters, a photo gallery, the latest news related to decentralization, relevant laws, public policies and law initiatives. Also, users may browse the website and watch videos, such as, AMHON's 2013 Assembly, and listen to recorded National Radio programs. Links to project partner websites are available. They include: AMHON, UTD/SEIP, USAID, and Civil Society Group. The OSD has direct communication and interaction with users through social media using Facebook, Twitter, and email, resulting in more than 300,000 visits in the May-June term of 2013

V. Impact

- Increased number of better served taxpayers, procedures simplified and streamlined to improve taxpayers services by incorporating automated processes.
- A significant number of taxpayers' awareness of good habits in paying their taxes in due time.
- A significant number of civil society representatives, Municipal employees, and Municipal Corporation officers have strengthened their tax collection awareness and work together to improve the tax recovery situation in their municipalities; specifically in creating a streamlined tax-paying process to reduce tax evasion.
- In all DEE/FOPRIDEH's municipalities good practices in updating the taxation database, in order to implement more effective and efficient tax collection efforts, have been put into place.
- Population with positive perception of their municipal authorities due enforced tax recovery obligations.
- Civil Society Representatives trained in public policy processes, incorporating their knowledge of their organizations with national policies.
- Increased general public awareness of decentralization processes and the amounts received by the transfers from Central Government to the municipalities through OSD operation.

VI. Gender

The DEE/FOPRIDEH project's Gender Mainstreaming Strategy was approved by the agency in May 2013. Its implementation will not be effective until next semester. It is important to highlight that after drafting the document the project continued with a gender equity and equality policy. For example in all advertised vacancies positions the following statement is published:

"This publication will appreciate the inclusion of vulnerable groups clarifying that there is no discrimination either by race, gender, sex, religion, age, ethnicity, marital status, nationality, disability or belief on behalf of the contractor. In turn, we encourage proposals submitted to maintain a gender perspective and vision."

The following activities were conducted specifically under gender perspective:

- With the participation of women Mayors, women Vice-Mayors, women councilors and those responsible for the Municipal Women Office (OMM), DEE/FOPRIDEH Project in conjunction with Women Municipalities of Honduras (ANAMMH), conducted several workshops to discuss the Municipal Law. These workshops resulted in the incorporation of a chapter in the Law of Municipalities with gender perspective drafted with the ANAMMH's support. The chapter takes into consideration gender equity and equality and also institutes clear and precise duties and obligations for the municipal women office.
- In the workshops, the promoting of gender equality at group level related to the administration subject in the income budget cycle and expenditures particularly in the identification of the necessities, interests, demands desires and women's contribution during the implementation of the project in the percentage of the compliance of the total municipal incomes from the central government transfers as well as the availability that allows the participation and distribution in their own revenues.
- During the reporting period January-June, there was a participation of 905 people between training and other working activities from which 413 were women representing (46%) and 492 were men representing (54%). It is import to highlight that this ratio between women and men has been and remains constant in the gender minimum range of 40% and 60% considered in the project.

VII. Training

Name of Workshop		Date	Sex disaggregated data				
			Gender				
			Total Value			%	
			M	H	TOTAL	M	H
No	Subject / Reference Measurements						
1	Municipal Law Workshop (Gracias Lempira)	May 26th and 27th 2013	12	11	23	52%	48%
2	Municipal Law Workshop (Catacamas)	May 16th and 17th 2013	10	18	28	36%	64%
3	Municipal Law Workshop (Santa Bárbara)	May 23rd and 24th 2013	5	30	35	14%	86%
4	Advocacy Workshop in Public Policies and Negotiation Techniques (Santa Rosa de Copán)	May 30th and 31st 2013	15	21	36	42%	58%
5	Workshop to train Young Communicators in Decentralization and media techniques.	May 28th and 29th 2013	12	16	28	43%	57%
5	Municipal Law Workshop	June 26th and 27th 2013	13	13	26	50%	50%

6	Workshop on Project Proposals Development on terms instituted by the Protected Areas Fund (Tegucigalpa)	June 28th and 29th 2013	14	10	24	58%	42%
7	Organizational Culture Workshop	April 24th and 25th 2013	17	8	25	68%	32%
8	Workshop for State Recruitment Law AMVAS, MANVASEN, MANCURISJ	April 9th and 11th 2013	12	10	22	55%	45%
9	Workshop for State Recruitment Law MUNASBAR	April 17th and 19th 2013	13	8	21	62%	38%
10	Workshop on Municipal Internal Control (MANCURISJ and MAMLESIP)	April 15th and 19th 2013I	15	35	50	30%	70%
11	Public Policy Workshop	March 14 th , 20 th and 27 th 2013	33	37	70	47%	53%
12	Workshop in Tributary Regime Taxation	February 18 through 22nd 2013	9	16	25	36%	64%
13	Workshop to Elaborate The Annual Operating Plan with Project Mancomunidades	January: 21 st , 22 nd , 23 th , 28 th , 29 th and 30 th 2013; February 1 st , 4 th , 5 th , 6 th , 7 th , 21 st , 25 th and 26 th 2013	52	69	121	43%	57%
14	Workshop to train Young Communicators in Decentralization and media techniques.	February 27 th , 28 th and March 1 st 2013	16	20	36	44%	56%
15	Workshop to reinforce the use of the Administrative Tributary System.(SAFT)	From March 11 th through 15 th 2013	13	10	23	57%	43%
	TOTAL		261	332	593	44%	56%

VIII. Constraints

1. National Congress representatives and municipal authorities were in recess, to participate in political campaigns prior to elections in November, delayed development of DEE/FOPRIDEH project programmed activities.
2. Field technician's presence has been weakened due to budget ceiling established by FOPRIDEH's management to cover per diem and travel expenses necessary for at least 17 working days in the field. The aforementioned, has reduced technical assistance provided to partner municipalities related to updating tax collection municipal records.
3. Weakness in all municipalities to keep an income tax record.
4. Lack of update to records for accounts receivables in the first semester of 2012, thus making a comparison with the first semester 2013 difficult.
5. Recent approval of PMP's adjustments in indicator 2.3 created uncertainty regarding the information to be collected.
6. Amnesty approval tax debts, weakens tax collection levels and promotes a negative taxation culture, as a result, citizens will create bad habits and a wait for future amnesties.
7. There are few professionals with thorough knowledge and expertise in the laws promoted by the project and some of them are not available to work outside of Tegucigalpa.
8. The Project lacks educational and appealing documents or presentations regarding law proposal subject to socialization.
9. There has been minimal promotion for the Decentralization Law

IX. Recommendations for improvement during next period

1. Influence and political lobbying with National Congress representatives and mayors with AMHON's support, to highlight the importance of their participation in the decentralization process to assist in the approval of the decentralization legal framework.
2. Strengthen field presence of technicians, by having a more flexible budget or analyzing the need to increase per diem and travel expenses allocation according to project's needs and not based on a budget ceiling. Also, the transfer between accounts is recommended in order to increase resources for this activity.
3. More project support to Intermunicipal Technical Unit authorities to assist municipalities in updating records for taxpayer debt recovery through their technical UFIM.
4. Consider positive and negative consequences of the amnesties when reviewing the draft of the Financial Administration Law.
5. DEE/FOPRIDEH Project, jointly with National Decentralization Forum and SEIP/UTD, should organize a training workshop addressed to previously selected, legal professionals in decentralization matters, for their subsequent role as facilitators.
6. Work jointly with SEIP/UTD to obtain prepared presentations on decentralization legal framework for (Municipal and Decentralization laws) to exchange with project partners.
7. Exchange and discuss the Decentralization Law with civil society organizations.

X. Projections for next period

For next semester July-December 2013, the following Project activities will be implemented according to the annual operating plan 2013 approved by the agency: Advocacy with National Congress representatives to approve the regulatory framework for decentralization (Municipal Law, Decentralization Law, Reform for LCAM; Reform for the Environmental Law); Draft, elaborate and print Handbooks and Manuals for the LCAM, such as, Transition and Transfer Handbook, Job Classification Manual and Handbook of Posts and Salary Administration; OSD updates; reinforcement in the use of all SAFT modules to benefit at least four mancomunidades (MUNASBAR, MANOFM, MAMSA and MANSUCOPA); contract a consultant to review the drafted Financial Administration Law proposed by the SEIP; technical assistance for tax recovery in two pilot mancomunidades (MANOFM and MAMSA); disseminate and present initiatives, and locally relevant experiences generated, to Municipalities; Promote activities directed to formulating Program Committees.

XI. Budget Implementation

FEDERATION OF NON GOVERNMENTAL ORGANIZATIONS FOR THE DEVELOPMENT OF HONDURAS
FOPRIDEH
SUMMARY OF EXPENSES PARTIAL
PROYECTO: DECENTRALIZATION ENABLING ENVIROMANT (DEE)
PERIOD: JANUARY- JUNE 2013
VALUE IN DOLLARS (Monthly Variation Lps of \$1,00)

Budget Line	Executed January	Executed February	Executed March	Executed April	Executed May	Executed June	TOTAL executed (Jan- Jun 2013)
Result 1, Comprehensive legal framework for increased municipal autonomy strengthened	5,048.61	14,548.03	20,201.08	13,582.70	18,812.99	18,663.38	90,856.81
Result 2: Legal framework for municipal fiscal autonomy strengthened	11,705.39	26,334.82	21,187.52	21,798.48	26,013.02	17,747.16	124,786.39
Result 3: Cross-cutting actions of civil society participation in the decentralization processes increased	5,776.13	7,311.40	8,602.85	10,858.20	12,583.30	16,303.25	61,435.14
Subtotal	22,530.13	48,194.26	49,991.46	46,239.39	57,409.31	52,713.80	277,078.34
FOPRIDEH COST SHARE AMOUNT	3,795.82	8,677.19	6,055.78	5,140.10	13,826.42	4,574.46	42,069.77
TOTAL	26,325.95	56,871.44	56,047.24	51,379.49	71,235.73	57,288.26	319,148.10

Certify that all these expenses have been used according to the agreement and also in concurrence with the manuals of procedures of FOPRIDEH

BY: [Signature]

TITLE: Coord. One

DATE: 30/7/2013



